(b) if so, the details thereof and the action taken/proposed to be taken in the matter; and

(c) if the reply to part (a) above be in the negative, what is the present stage of progress in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) and (b) No, sir.

(c) The investigation is nearing completion.

Term Loan to MNCs for Acquisition of Assets

247. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether the acquisition of cement plants by Foreign Multi-Nationals in India is through funds received from abroad;

(b) whether Indian Financial Institutions and Banks are extending funds as Term Loan or Working Capital for such acquisition; and

(c) what is the policy of Government in respect of encouraging Indian financial Institutions and banks to extend Term loan to Multi-Nationals for acquisition of existing Indian assets?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAY KUMAR): (a) to (c) Foreign investors, including foreign companies, are allowed to establish companies in India after obtaining requisite approvals and clearances under the Foreign Direct Investment Policy approved by Government of India. Such companies/entities are permitted to raise funds for meeting their equity and debt requirements from domestic or offshore sources in accordance with the terms and conditions stipulated by concerned authorities at the time of their establishment in India. The decision regarding financing of a particular economic activity or granting loans to individual entities however, is taken by FIs themselves based on their commercial judgement and the lending policy laid down by their respective boards within the framework of prudential regulations and exposure norms prescribed by RBI from time to time. In accordance with the practices and usages customary amongst the banks and financial institution and in conformity with the provisions statutes governing the financial institutions and the provisions of the Public Financial Institutions (Obligation as to Fidelity and Secrecy) Act, 1983, the information relating to individual company/unit cannot be divulged.